

Independent Auditor Statement for Financial Data – Auditor’s Information Sheet

Overview

Each transit agency is required to file an [Independent Auditor Statement for Financial Data](#) (IAS - FD) with their NTD Annual report. This is usually a one-time submission that must be reviewed and approved by FTA. An audit conducted for the OMB Circular A-133 Single Audit Act is not a substitute.

The [independent auditor](#) must review all financial forms to ensure that the transit agency's accounting system follows the [Uniform System of Accounts](#) (USOA), that [accrual accounting](#) or a directly translatable method is used, and that all data are in accordance with NTD requirements. The review must state whether any of the reported data do not conform to NTD requirements and describe the discrepancies.

If FTA approves the Independent Auditor Statement for Financial Data (IAS - FD), the [Chief Executive Officer \(CEO\) Certification](#) may be used in subsequent years in lieu of the Independent Auditor Statement for Financial Data (IAS - FD). The [chief executive officer](#) (CEO) must certify the overall accuracy of the data in the NTD Annual report.

If there is a change in the transit agency's accounting system, another review must be performed (a new Independent Auditor Statement for Financial Data (IAS - FD)) and submitted to FTA. FTA may require a new review if there are substantial changes in financial data reporting.

The criteria for retaining FTA approval are:

- The transit agency has adopted the Uniform System of Accounts (USOA), and has previously submitted an NTD Annual report that was compiled using the Uniform System of Accounts (USOA) and was reviewed by an independent auditor (use the following language:
The accounting system from which this NTD report is derived follows the accounting system prescribed by the Uniform System of Accounts (USOA). The same accounting system has been adopted and was used to compile this NTD report.)

or

- The transit agency:
 - Uses an internal accounting system other than the accounting system prescribed by the Uniform System of Accounts (USOA)
 - Uses the accrual method of accounting
 - Directly translates the system and accounting categories, using a clear audit trail, to the accounting treatment and categories specified by the Uniform System of Accounts (USOA), and
 - Has previously submitted an NTD Annual report that was compiled using the same internal accounting system and translation to the Uniform System of Accounts (USOA), and was reviewed by an independent auditor (user the following language:
The accounting system from which this NTD report is derived is other than the accounting system prescribed by the Uniform System of Accounts (USOA), but uses the accrual basis of accounting and is directly translated, using a clear audit trail, to the accounting treatment and categories specified by the Uniform System of Accounts (USOA). The same internal accounting system has been adopted and was used to compile this NTD report.)

If the above criteria are met, the Chief Executive Officer (CEO) Certification must verify that the financial data continues to meet one of the above conditions.

Suggested Format

The transit agency must submit the Independent Auditor Statement for Financial Data (IAS - FD) as applicable. FTA provides suggested formats in Internet Reporting. It is not a requirement that a transit agency use these formats; however, the Independent Auditor Statement for Financial Data (IAS - FD) must still address each of the items outlined in the suggested format.

The suggested format ensures the financial reporting forms conform in all material respects with the accounting requirements in the Uniform System of Accounts (USOA) and NTD reporting requirements. Usually, a transit agency has the financial data review done only once and sends the Independent Auditor Statement for Financial Data (IAS - FD) to FTA. If the transit agency is in conformance, FTA grants approval. This approval remains in effect until the accounting system or method changes, or if significant issues arise.

2007 Auditor Help Sheet

Example 32 — Independent Auditor Statement for Financial Data — Suggested Format

The IAS-FD file copy should be
on Independent Auditor's
letterhead.

This IAS-FD should be kept on
file by Transit Agency.

The Board of Trustees
Transit Agency Name

In connection with our regular examination of the financial statements of **[agency name]**, for the fiscal year ended **[date]**, on which we have reported separately under **[date of auditor's statement]**, we have also reviewed the reporting forms listed below and included in the report for the fiscal year ended **[date]**, required under Title 49 U.S.C. 5335 (a), for conformity in all material respects with the requirements of the Federal Transit Administration as set forth in its applicable National Transit Database (NTD) Uniform System of Accounts (USOA). Our review for this purpose included such tests of the accounting records and such other auditing procedures, as we considered necessary in the circumstances. We did not make a detailed examination such as would be required to determine that each transaction has been recorded in accordance with the Uniform System of Accounts (USOA).

Select 1 of the following 2 paragraphs for inclusion in your Statement:

The accounting system from which this NTD report is derived follows the accounting system prescribed by the Uniform System of Accounts (USOA). The same accounting system has been adopted and was used to compile this NTD report.

or

The accounting system from which this NTD report is derived is other than the accounting system prescribed by the Uniform System of Accounts (USOA), but uses the accrual basis of accounting and is directly translated, using a clear audit trail, to the accounting treatment and categories specified by the Uniform System of Accounts (USOA). The same internal accounting system has been adopted and was used to compile this NTD report.

Submit a list of the specific financial forms being reported upon:

- Sources of Funds — Funds Earned and Funds Expended form (F-10)
- Uses of Capital form (F-20)
- Operating Expenses forms (F-30 and F-40)
- Operators' Wages form (F-50)

Based on our review, in our opinion the accompanying reporting forms identified above conform in all material respects with the accounting requirements of the FTA as set forth in its applicable Uniform System of Accounts (USOA).

Signed:

Date:

Title:

City